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In the Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-7891

NORMAN JACOBS,

Petitioner,

vs.

UNITED STATES OF AMERICA,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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MIAMI REVIEW — 371-6853 — 377-3721

INDEX

	Page
Opinion Below	2
Jurisdiction	2
Question Presented	2
Statute Involved	2
Statement of the Case	3
Reason for Granting the Writ	7
Conclusion	10
Certificate of Service	11
Appendix (Opinion and Judgment of Court of Appeals, Order on Petition for Rehearing of Court of Appeals)	App. 1

CITATIONS

Case	Page
People v. Dioguardi, 219 NYS.2d 201, 208-209 (Ct. Gen. Ses. 1961)	7
Stirone v. United States, 361 U.S. 212 (1960)	9
United States v. Critchley, 353 F.2d 358 (3 Cir. 1965)	8
United States v. Halseth, 342 U.S. 277 (1952)	8
United States v. Kubacki, 237 F.Supp. 638 (D.C.E.D. Pa. 1965)	9
United States v. Local 807, International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers of America, 315 U.S. 521 (1941)	8
United States v. Nedley, 255 F.2d 350 (3 Cir. 1958)	7
United States v. Sweeny, 262 F.2d 272 (3 Cir. 1958)	7
Washington v. United States, 357 U.S. 348 (1960)	8

OTHER AUTHORITIES

1945 Congressional Record—House 11900	7
United States Constitution, Tenth Amendment	8

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

The Petitioner, Norman Jacobs, respectfully prays that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Fifth Circuit entered in this proceeding on September 29, 1971.

OPINION BELOW

The Opinion of the Court of Appeals, not yet reported, appears in the Appendix hereto. No opinion was rendered by the District Court for the Southern District of Florida.

JURISDICTION

The judgment of the Court of Appeals for the Fifth Circuit was entered on September 29, 1971. A timely petition for rehearing was filed within 15 days of that date. This Court's jurisdiction is invoked under 28 U.S.C. 1254(1).

QUESTION PRESENTED

Does a decision holding a legal fee to be excessive — "highly exorbitant, indeed preposterous" — and therefore extortionate under the Hobbs Act deprive all attorneys of due process of law and unconstitutionally deprive them of the right to practice their profession.

STATUTE INVOLVED

§ 1951. Interference with commerce by threats or violence

(a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

(b) As used in this section —

(2) The term "extortion" means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right.

(3) The term "commerce" means commerce within the District of Columbia, or any Territory or Possession of the United States; all commerce between any point in a State, Territory, Possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

STATEMENT OF THE CASE

The Petitioner, Norman Jacobs, and George Kastenbaum, a transportation attorney, were tried on a two count indictment in the United States District Court for the Southern District of Florida for Conspiracy to Commit Extortion in violation of 18 U.S.C., Section 1951 (The "Hobbs Act") and Attempting to Commit Extortion in violation of 18 U.S.C., Section 1951. Petitioner was found guilty of Conspiracy, acquitted of the Attempt and sentenced to eighteen months imprisonment.

Attorney Kastenbaum was convicted on both counts and sentenced to concurrent five and three year terms of imprisonment. The judgment and sentence were affirmed by the Court of Appeals.

Raymond Casella, the Government's chief witness, while employed as a bus driver, decided to organize a company to engage in the night club tour business to operate in Miami Beach, Florida. In October and November, 1968, Casella met Petitioner, Norman Jacobs, when Casella rented office space next to Jacob's office and introduced himself to Jacobs. (R127, 387, 395)*. Jacobs, a taxi cab owner and dispatcher, furnished cabs under contract. Jacobs assisted Casella by permitting him to use his telephone and by distributing Casella's brochures. (R396, 484-85). Jacobs furnished cabs to Casella but had to stop because of contractual obligations and, upon request of Casella, suggested the names of other companies to him. (R787-790, 128-130, 790-792).

Casella, who wanted to use buses, was encountering difficulties in obtaining buses and needed a permit to be authorized to use them. (R128, 497). Casella related his problems to Jacobs and asked Jacobs if he knew of an attorney. Jacobs suggested he see George Kastenbaum who was the attorney for Jacobs' employer. Casella made an appointment to see Kastenbaum and on December 22, 1968, he met Kastenbaum in Kastenbaum's office. Jacobs was not present. (R501-502, 131-132, 792-794).

Casella related his problems to Kastenbaum who explained that transportation interests exercised considerable political influence in Miami Beach and that he, Kastenbaum, had been fighting these interests for years. He allegedly stated that it would require approximately $10,000.00 to assist Casella in obtaining the necessary

*NOTE: "R" refers to the pagination of the Record filed in the Court of Appeals by the Clerk of the District Court for the Southern District of Florida.

permit (R136-138, 564). Casella stated that he did not have that amount of money whereupon Kastenbaum advised him that he could not take the case. Jacobs knew nothing of the conversation except that Casella told him that Kastenbaum could not be of assistance (R492-493).

Between December 26, 1968 and January 13, 1969, Casella operated his business with buses leased from a Governmental transportation authority, but this authority, through no actions or conduct of Jacobs or Kastenbaum, discontinued service. Casella's business ceased operation. (R147-149, 164-165). Thereafter, Casella presented his problems to various State and Federal law enforcement agencies who asked Casella to meet with Kastenbaum again. Everything that Casella did thereafter was what he was told to do by the Federal Bureau of Investigation and State law enforcement agencies.

Pursuant to the F.B.I.'s plan, Casella and his wife, unknown to Jacobs, went to Kastenbaum's office, told Kastenbaum of his alleged problems, said he had a financial backer and wanted to retain Kastenbaum for the sum of $10,000.00 (R498, 502-503, 164-166, 565, 585). Kastenbaum denied setting $10,000.00 as the fee and suggested that Casella see Jacobs to obtain taxi cab transportation (R897-898).

Casella then sought out Jacobs and asked Jacobs if he had spoken to Kastenbaum. Jacobs replied that he had not and said that he would attempt to contact Kastenbaum (R168-169, 492-495). On February 4, 1969, Casella went to see Jacobs and was told that the fee to obtain the necessary permit would be $50,000.00. (R172-173, 476, 799-801, 840-841).

Several meetings ensued which can be summarized as follows: Kastenbaum was to be paid the fee for obtaining the permit, if successful, and if he was unsuccessful, Casella would not be obligated to pay him. (R191, 193-195, 253, 440, 464, 803, 903). On March 5, Kastenbaum presented Casella's application to the Miami Beach City Council which approved a resolution authorizing the issuance of the valuable permit to Casella (R320).

Neither Jacobs nor Kastenbaum did anything to prevent Casella from leasing or operating buses or obtaining a permit to do so. They did not directly or indirectly threaten to do anything to Casella if the fee was not paid, of which Jacobs was to receive nothing. Nor did they tell Casella that Kastenbaum could control whether or not he could retain the permit. (R418, 440-441, 455, 489, 806-809, 811, 904).

REASON FOR GRANTING THE WRIT

A decision holding a legal fee to be excessive — "highly exorbitant, indeed preposterous" — and therefore extortionate under the Hobbs Act deprives all attorneys of due process of law and unconstitutionally deprives them of the right to practice their profession.

The effect of the Court of Appeals' unwarranted extension of the Hobbs Act is to place every practicing attorney in possible jeopardy of Federal prosecution. The nub of the Court's decision is to render charging a high legal fee for legal services to obtain a favorable franchise is extortion per se. In the words of the Court: "A charge of that amount to secure a permit by legitimate means would be highly exorbitant, indeed preposterous." See Appendix, Opinion of the Court of Appeals at Page App. 22. To permit this holding to stand would deprive attorneys everywhere of their right to practice their profession. Such an extension might "expose to the risk of prosecution for extortion a lawyer who takes advantage of a client's pressing problem to demand a high fee for his services . . ." *People v. Dioguardi*, 219 NYS.2d 201, 208-209 (Ct.Gen.Ses. 1961). That case was decided under the New York Statute which was the model for the Hobbs Act and state decisions under state law are persuasive. See generally 1945 Congressional Record — House 11900; *United States v. Sweeny*, 262 F.2d 272 (3 Cir. 1958) and *United States v. Nedley*, 255 F.2d 350 (3 Cir. 1958).

Under the guise of a Hobbs Act provision, the Court of Appeals has sought to regulate fees charged by attorneys. The Court of Appeals did so without setting forth any reasonably ascertainable standards and without any

support in the record below that such a fee was unreasonable. C.f. *Washington v. United States*, 357 U.S. 348 (1960). We respectfully challenge both the right to regulate such fees and the Court's manner in so doing. Furthermore, the effect of the Court's decision is to inject the Federal Government into the regulation of attorneys, a matter for the states, reserved to them under the Tenth Amendment to the United States Constitution.

The purpose of the Hobbs Act was to eliminate "terroristic activities by professional gangsters." *United States v. Local 807, International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers of America*, 315 U.S. 521 (1941). This was the evident purpose of the Act and certainly cannot be properly extended to regulate attorney's fees. The extension of a criminal statute beyond its narrow terms is clearly unconstitutional and violates the rule that such statutes must be carefully and strictly construed. *United States v. Halseth*, 342 U.S. 277 (1952); *United States v. Critchley*, 353 F.2d 358 (3 Cir. 1965).

The purpose in this case was for Attorney Kastenbaum to render a service for a fee, contingent in nature and to be paid only if the purpose was accomplished. "Thus there is no conspiracy to violate the Act if the purpose of the defendants is actually to perform the service for money . . ." *United States v. International Brotherhood of Teamsters*, supra. The fee was escrowed and the service rendered. The result was the arrest of Petitioner and the co-defendant.

The decision of the Court of Appeals clearly *conflicts* with a decision of the Court of Appeals for the Third Circuit as set forth as *United States v. Critchley*, supra.

There a Hobbs Act conviction was reversed where a union official received a $4,000 payment to drop a complaint against a roofing subcontractor made before the public housing authority who had let the contract. The Court reversed the conviction holding first that commerce "was not affected", (*Stirone v. United States*, 361 U.S. 212; 1960) and second that such actions were *at most bribery and not extortion.*

Assuming arguendo that there was a conspiracy to commit bribery, nonetheless, the co-defendant and Petitioner were charged not with bribery, but were charged, tried and convicted of extortion. This alone is reason enough for this Court to accept jurisdiction. See *Stirone*, supra, 361 U.S. at Page 218.

All that an attorney seeks to do is to represent a client for a fee and to secure favorable results in an action before a court, legislative or other agency. In the case at bar, the attorney took the case based on a contingency fee and never represented that he was the only one who could obtain the permit. In the case at bar, we do not even have a possible "level of disappointment over failure to obtain a new piece of business." *United States v. Kubacki*, 237 F.Supp. 638 (D.C.E.D. Pa. 1965).

The Petitioner before this Honorable Court was convicted of Conspiracy to Commit Extortion with the co-defendant attorney. If the conviction cannot stand as to the co-defendant attorney, Kastenbaum, then it follows that the conviction of the Petitioner for Conspiracy with him must likewise be set aside. The law is plain that one cannot conspire alone.

CONCLUSION

For these reasons, a Writ of Certiorari should issue to review the judgment and opinion of the Fifth Circuit.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of December, 1971, three (3) copies of the Petition for Writ of Certiorari were mailed, postage prepaid, to the Solicitor General of the United States, Department of Justice, Washington, D.C. 20530 and that three (3) copies of the Petition for Writ of Certiorari were mailed, postage prepaid, to James H. Walsh, Assistant United State's Attorney at Post Office Box 4139, Main Post Office, Miami, Florida 33101.

IRWIN J. BLOCK

APPENDIX

APPENDIX

IN THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

No. 30019

UNITED STATES OF AMERICA,
Plaintiff-Appellee,

versus

NORMAN JACOBS and GEORGE KASTENBAUM,
Defendants-Appellants.

Appeals from the United States District Court for the Southern District of Florida

(September 29, 1971)

Before BROWN, Chief Judge, and PHILLIPS,* and INGRAHAM, Circuit Judges.

PHILLIPS, Circuit Judge: George Kastenbaum and Norman Jacobs were charged in a two-count indictment with violations of 18 U.S.C. § 1951.

The first count charged them with a conspiracy to violate § 1951, supra, and the performance of a large number of overt acts, some by Jacobs and some by Kastenbaum, to effect the object of the conspiracy.

The second count charged them with the "attempt" to violate § 1951, supra.[1]

*Of the Tenth Circuit, sitting by designation.

[1]See more complete statement of charges, infra.

18 U.S.C. § 1951 in part here pertinent reads as follows:

"§ *1951. Interference with commerce by threats or violence*

"(a) Whoever in any way or degree obstructs, delays or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"(b) As used in this section —

* * * * *

"(2) The term 'extortion' means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right.

"(3) The term 'commerce' means commerce within the District of Columbia, or any Territory or Possession of the United States; all commerce between any point in a State, Territory, Possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction."

Count I of the indictment in part here pertinent reads as follows:

"COUNT I

"1. That all times hereinafter mentioned Kastle Tours, Incorporated, was a Florida corporation engaged in the night club and restaurant tour business in the City of Miami Beach, Florida and its environs.

"2. That at all times pertinent hereto, Raymond and Rosemarie Casella were the owners and operators of Kastle Tours, Inc. and were actively engaged in the operation of said corporation.

"3. That at all times hereinafter mentioned the tour business of Kastle Tours, Inc. included the furnishing of guided night club and restaurant tours to tourists visiting the State of Florida from points located without the State of Florida.

"4. That at all times hereinafter mentioned the tour business of Kastle Tours, Inc. included the direct solicitation of out of state prospective customers for their guided tours within the State of Florida.

"5. That at all times hereinafter mentioned Kastle Tours, Inc., in connection with the continuation of business regularly utilized in business operations, and sought to utilize in business operations, surface transportation consisting of vehicles, supplies, and materials made and produced by manufacturers and suppliers in states other than the State of Florida, said vehicles, supplies and materials having been transported in interstate commerce.

"6. That at all times pertinent hereto, George Kastenbaum was a member of the Bar of the State of Florida with law offices at Number One Lincoln Road Building, 169 Lincoln Road, Miami Beach, Florida; and Norman Jacobs was the Manager of Central Cab Company on Miami Beach, Florida.

"7. That from on or about a date occurring in the middle of December 1968, and continuously thereafter up to and including March 19, 1969, the exact dates being to the Grand Jury unknown, in the Southern District of Florida, and elsewhere, George Kastenbaum and Norman Jacobs, the defendants herein, and other persons to the Grand Jury unknown, did unlawfully and wilfully conspire, confederate, and agree together and with each other, to obstruct, delay and affect interstate commerce, as the term 'commerce' is defined in Section 1951, Title 18, United States Code, and the movement of persons, articles, and commodities in commerce by extortion as the term 'extortion' is defined in Section 1951, Title 18, United States Code, that is to say the defendants herein mentioned conspired to obtain the sum of fifty thousand ($50,000.00) dollars in cash from Raymond Casella, of the aforesaid Kastle Tours, Inc., with the consent of Raymond Casella being induced and obtained by the wrongful use of actual and threatened fear directed at said Raymond Casella."

It will be observed that the statute reads "actual or threatened * * * fear." That is, in defining the term "ex-

tortion" the statute uses the word "actual" and the word "threatened" in the disjunctive. On the other hand, it will be observed that the indictment charges "induced and obtained by the wrongful use of actual and threatened fear." Thus, it will be seen that the indictment uses the word "actual" and the word "threatened" in the conjunctive. As we shall hereafter show, that was proper pleading and it was sufficient if the Government showed a conspiracy to use either actual or threatened fear, since such terms were pleaded in the conjunctive.

The second count of the indictment alleged and incorporated therein paragraphs 1, 2, 3, 4, 5, and 6 of Count I and further alleged:

> "2. That from approximately December 1968 to March 1969, in the Southern District of Florida, * * * the defendants herein did unlawfully and wilfully *attempt to commit extortion* as that term is defined in Title 18, United States Code, Section 1951, and that said extortion as contemplated, if completed, would have obstructed, delayed, and affected commerce, that is to say, said defendants did attempt to obtain property in the amount of $50,000 United States currency and fifteen per cent of the profit of Kastle Tours, Inc. from Raymond Casella of the aforesaid Kastle Tours, Inc. with his consent induced by wrongful use of actual and threatened fear of economic injury, and that said attempt, if completed, would have obstructed, delayed and affected commerce; all in violation of Title 18, United States Code, Section 1951" (Emphasis supplied.)

It will again be observed that while the statute uses the words "actual or threatened * * * fear" in the disjunctive, the indictment charges it in the conjunctive, and what we have said above with respect to Count I applies equally to Count II.

Both of the defendants were convicted on Count I. Kastenbaum was convicted and Jacobs was acquitted on Count II.

Kastenbaum was sentenced to imprisonment for five years on his conviction on Count I and to imprisonment for three years on his conviction on Count II. The sentences imposed on Kastenbaum were to run concurrently.

It will be observed that § 1951, supra, defines three offenses where robbery is not involved, namely, extortion, attempted extortion, and conspiracy to commit extortion or attempted extortion, which obstruct, delay, or affect interstate commerce.[2]

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[2]In United States v. Floyd, 7 Cir., 228 F.2d 913, cert. denied, 351 U.S. 938, the court at page 919 quoted with approval the following language from Hulahan v. United States, 8 Cir., 214 F.2d 441, 445, as follows:

> "'It seems apparent from the language of the statute that it was the intent of Congress to protect interstate commerce against *extortion or attempted extortion* which in any way or in any degree reasonably could be regarded as affecting such commerce. ***'" (Emphasis supplied.)

In the Floyd case, the court then stated further:

> "Thus, the offense consists of two essential elements, (1) extortion or attempted extortion, and (2) that such extortion or attempted extortion affect interstate commerce. ***"

See also: United States v. Green, 350 U.S. 415, 420; United States v. Tropiano, 2 Cir., 418 F.2d 1069, 1075; United States v. Stirone, 3 Cir., 262 F.2d 571, 574.

It will be noted that Count II charges the defendants with "unlawfully and wilfully" attempting to commit extortion by obtaining from Casella "with his consent induced by wrongful use of actual and threatened fear of economic injury."

Here again, we repeat that while the statute in defining the term "extortion" uses the language, "induced by wrongful use of actual or threatened * * * fear," thus using the disjunctive between the words "actual" and "threatened," the indictment uses the conjunctive in its charge. Thus, the use of the conjunctive "and" between the word "actual" and the word "threatened" was the proper way to allege it in the indictment, and it was sufficient if the evidence established either actual or threatened fear. That is especially true because the pleader charged, not extortion, but the substantive offense of "attempt to commit extortion." However, if Jacobs was convicted and sentenced on Count I only and Kastenbaum was convicted on both counts and was sentenced to five years' imprisonment on Count I and only three years' imprisonment on Count II, to run concurrently with the sentence on Count I, if we sustain the conviction on Count I, it is not necessary for us to consider the legality of the conviction on Count II.[3]

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[3]Muir v. United States, 5 Cir., 373 F.2d 712, 713;
Rhodes v. United States, 5 Cir., 224 F.2d 348, 352;
Huff v. United States, 5 Cir., 301 F.2d 760, 765;
Lance v. United States, 5 Cir., 409 F.2d 698, 699;
United States v. Bigham, 5 Cir., 421 F.2d 1344, 1346;
Galbraith v. United States, 10 Cir., 387 F.2d 617, 619;
Roviaro v. United States, 353 U.S. 53, 65;
Lawn v. United States, 355 U.S. 339, 362;
Shutz v. United States, 10 Cir., 432, F.2d 25, 29;
Glazerman v. United States, 10 Cir., 421 F.2d 549, 552;
Price v. United States, 10 Cir., 384 F.2d 650, 652;
See also, United States v. Tropiano, 2 Cir., 418 F.2d 1069, 1083.

Under § 1951, supra, it is not necessary to show that a person charged with extortion or attempted extortion actually received any benefit.[4] A conspiracy to commit one of the substantive offenses defined in the statute and such substantive offense do not merge.[5]

We now turn to a consideration of the evidence and the determination of whether it supports the conspiracy charge.

In passing on the sufficiency of the evidence to support the verdict of guilty in a criminal case, an appellate court will not weigh conflicting evidence nor consider the credibility of witnesses, and it must view the evidence and the reasonable inferences that may be drawn therefrom in the light most favorable to the prosecution and determine as a question of law whether there is substantial evidence, either direct or circumstantial, to support the verdict.[6]

Persons who enter into a conspiracy to commit a criminal offense do not do so openly, and generally a conspiracy can be established only by evidence of the attendant

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[4]United States v. Green, 350 U.S. 415, 418;
United States v. Provenzano, 3 Cir., 334 F.2d 678, 685, cert. denied 379 U.S. 947.

[5]Carbo v. United States, 9 Cir., 314 F.2d 718, 733, cert. denied 377 U.S. 953;
See also, cases cited in note 1, infra.

[6]Steiger v. United States, 10 Cir., 373 F.2d 133, 135;
Etheridge v. United States, 5 Cir., 380 F.2d 804, 809;
Williamson v. United States, 5 Cir., 365 F.2d 12, 14;
Feutralle v. United States, 5 Cir., 209 F.2d 159, 161;
Sykes v. United States, 5 Cir., 373 F.2d 607, 609;
Gorman v. United States, 5 Cir., 323 F.2d 51, 52.

circumstances and the concerted acts and conduct of the alleged conspirators and the inferences reasonably deducible therefrom that logically and consistently warrant the conclusion that an unlawful agreement, express or implied, existed.[7]

The evidence and the reasonable inferences that might be drawn therefrom, considered in a light most favorable to the prosecution, afforded ample basis for the jury to have found the following facts:

Shortly before the middle of December 1968, Raymond Casella had started to operate a night club tour business in Miami Beach, Florida. From the beginning, he had trouble obtaining bus transportation for his tour patrons. He tried Gray Line, American Sightseeing, Red Top, Greyhound and Trailways, and did not succeed in obtaining transportation from any one of them. Finally, he arranged with A-1 Bus Company to furnish him with bus transportation.

Thereafter, Casella was told by a police sergeant from Miami Beach that he could not continue to use A-1 buses, because that company did not have a permit from the Public Service Commission of Florida to operate tour service or charter buses in Miami Beach. The police sergeant's name was Buddy Dresner. Dresner suggested that Casella see Jacobs, who operated a cab business and was then serving Elegante Tours with his cabs.

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[7]Heald v. United States, 10 Cir., 175 F.2d 878, 880;
Butler v. United States, 10 Cir., 197 F.2d 561, 563;
Bacon v. United States, 10 Cir., 127 F.2d 985, 986;
Wilson v. United States, 5 Cir., 320 F.2d 493, 494;
Rodriguez v. United States, 5 Cir., 373 F.2d 17;
Jordan v. United States, 10 Cir., 370 F.2d 126, 128;
Mosheim v. United States, 5 Cir., 285 F.2d 949, 952.

In the forenoon of a day shortly after the middle of December 1968, Casella went to see Jacobs at the latter's office in a building located at 1613 Alton Road, Miami Beach. Casella's office was located in the same building. At that time Casella understood that Jacobs's name was Norman Rubin. On entering Jacobs's office, he saw a young lady and told her he wanted to see Norman. She went into another room. Jacobs then appeared and introduced himself as Norman.

Casella explained to Jacobs that he was starting a night club tour business and the difficulties he was having in obtaining bus transportation; that he tried to get transportation from Gray Line, American Sightseeing, Red Top, Greyhound and Trailways to no avail; that he finally got transportation from A-1 Bus Company; that shortly after it began furnishing him transportation he was told by a police sergeant of Miami Beach that he would have to cease using A-1 bus transportation, because it did not have a permit to operate in Miami Beach; that the sergeant suggested he see Jacobs, who was in the cab business and was then furnishing cabs to Elegante Tours, and that possibly Jacobs could help him out.

Casella then went to see Jacobs and asked Jacobs if he would furnish him with cabs. Jacobs said he was in the cab business to make money and the more business he got, the more money he would make; that he had no contract that he knew of with Elegante Tours that would prevent him from furnishing cabs to Casella; that he would furnish cabs to Casella at the same rate he was charging Elegante Tours, and handed Casella an Elegante Tours rate sheet. Casella then said he was running a bus tour and that his brochure advertisements stated that it

was a bus tour, but that he was forced into a situation where he had to use cabs. Casella used Jacob's cabs for one night about the middle of December 1968, but the day following such night of use Jacobs saw Casella and told him he could no longer furnish him cabs, because Elegante Tours had telephoned Jacobs and told him it had a contract with him, and if he furnished Casella any more cabs it would sue him.

Casella said, "Well, what am I going to do now, Norman? I'm at my wit's end." Jacobs replied, "I have a very good transportation attorney. He's done a lot of things for us and helped us out, and I'm sure if you talked to him he may be able to help you. * * * But why don't I make an appointment with him for you and you see him and talk to him and tell him your problem and see what he can do." Casella replied, "Norm, I'll see anybody."

A day or two later, Jacobs advised Casella that he had made the appointment for December 22, 1968. On that date, Casella and his wife went to Kastenbaum's office at One Lincoln Road, Miami Beach.

We digress to say that Casella identified both Jacobs and Kastenbaum at the trial.

With his wife present, Casella told Kastenbaum about his inability to obtain buses to transport his tour patrons; that he had talked to Norman and he suggested that Casella see Kastenbaum and see what he "could do" for him.

Counsel for Jacobs then objected to any testimony of what Kastenbaum said in the absence of Jacobs. The court then properly instructed the jury with respect to

acts and declarations made before the conspiracy came into existence or that were not in furtherance of the conspiracy or made after it had terminated, and charged the jury that such acts or declarations could only be considered as evidence against the person who had done such acts or made such declarations, but that when it was established to their satisfaction by the evidence that a conspiracy existed and that a defendant was one of its members, then the acts and declarations of such other members of the conspiracy, done or made in furtherance of the conspiracy and during its existence, were binding on the defendant member, whether done or made in or out of his presence. The court then overruled the objection.

Casella then told Kastenbaum in detail how he had tried without success to obtain bus transportation from Gray Line, American Sightseeing, Red Top, Greyhound, Trailways, and Metro; that he had arranged then with A-1 Bus Company to furnish him with transportation by bus; that shortly after A-1 Bus Company began to furnish him with buses a Miami Beach police sergeant stopped that, because A-1 did not have a permit to operate in Miami Beach; that he then went to Norman and the latter agreed to furnish him with cabs, which he did for a few days, but that Norman then found out that his contract with Elegante Tours prevented him from furnishing cabs to Casella, and he told Casella that he could no longer furnish him with cabs.

Kastenbaum then said:

"Look. You are new here. You are fighting a giant, which is Greyhound. You are fighting this giant. You are fighting the Segal brothers who have donated money to every political campaign.

> They have thrown cocktail parties and they have helped in the campaigns of political figures not only in Miami Beach but in the country and in the state. They are very powerful people. I know, because I've been fighting them for nine years.
>
> "And, second of all, I want you to know I'm on the other side, too. I am transportation attorney for the cabs in this town, and we are fighting against having buses on the streets. We don't want buses here. And you are asking me to go both ends. You just don't do it."

Casella replied, "Mr. Kastenbaum, I've got to do something. Can you help me in any way? I'm desperate. I need help."

Kastenbaum then said:

> "The political structure, * * * the way it is here, * * * you can't do it. You just can't walk in because you are new people. They don't know you and you don't know them. You have to have a good attorney with a good fee. You can't go to a councilman and offer him $100. You have to give him at least $1,000 or $1,500, and even then you can't be sure, because you never know what these men are going to do."

Casella then said, "Well, what would it cost, Mr. Kastenbaum, to get a permit? What would it cost me?"

Kastenbaum replied, "Well, I probably could swing it for $10,000." Casella then said, "I don't have that money."

About December 23, 1968, Casella contacted Metro and it agreed to furnish him with buses with which to transport his customers and started to do so.

Casella reserved a bus from Metro for the night of December 26, 1968. He had received for that night in excess of 40 reservations, but later he discovered that about 14 of them were false reservations. Casella operated his tours with Metro buses from December 26, 1968, to January 13, 1969.

On January 9, 1969, Jacobs went to Casella's office and said to Casella, "Ray, I heard a rumor". He said further that there was a cocktail party at the Segal home and "they were circulating a rumor that they were going to stop you from operating. They were going to stop the buses. Metro isn't going to give you any buses."

Casella replied, "Norman, I can't believe that, because Metro promised us definitely no matter what, we are going to have buses."

Jacobs replied, "Well, that's the rumor."

On or about January 9, 1969, Casella went to certain law enforcement agencies, including the Federal Bureau of Investigation, hereinafter referred to as the F.B.I. After he had advised the F.B.I. of his difficulty in obtaining transportation, the F.B.I. undertook an investigation of the matter to see if there was evidence of a violation of 18 U.S.C. § 1951.

Arrangements were made for Special Agent Joseph Yablonsky to pose as Casella's sponsor, under the name of "Joe Wexler," from New York.

On January 22 or 23, 1969, Casella and his wife again went to see Kastenbaum at the latter's office. Casella told Kastenbaum he was using Metro buses and that Metro had stopped furnishing him with buses on January 13, 1969, and that he was then inoperative; that they had come back to see Kastenbaum to see if he could help them. Kastenbaum again told Casella he was "fighting a giant," he was "fighting the Greyhound Corporation," and that to secure a permit to operate buses was almost an impossibility; that he "would have to see people."

Casella then said, "I now have a backer who is willing to back me up, and the last time I was here and spoke to you, you had told me it would cost $10,000 to get a permit." Kastenbaum replied, "I don't remember saying anything like that." Casella said, "I am sure you said that to me." Kastenbaum then turned to Mrs. Casella and said, "Mrs. Casella, you were here. Did I say anything like that." She replied, "Yes, you did." Casella then implored Kastenbaum to help him. Kastenbaum said, "See Norman. I'll call him and tell him the situation and you talk to him.

Casella was then wearing a tape recorder, placed on him by a representative of the F.B.I.

Casella went to the office of Jacobs on January 23, 1969, and asked him whether he had had a call from Kastenbaum. Jacobs said, "No." Casella then said, "I went to see him, * * * I asked him for help, and he told me to see you." Jacobs said, "Well, let me call him and then I'll get back to you." Casella said, "I have a backer now who is going to back me up to get a permit." Jacobs said, "Well, I can't say anything. Let me call and see what the story is and then I'll get back to you."

On January 25, 1969, Casella saw Jacobs and asked him whether he had seen Kastenbaum. Jacobs said, "I was just down to the courtroom and Kastenbaum was there and I saw the fellow, and the fellow really has a pull down here with the councilmen." Casella asked, "Who, Kastenbaum?" Jacobs replied, "No, another fellow. But he was in court and he couldn't talk to me, and as soon as I get a chance to talk to him I'll get back to you."

On February 4, 1969, Casella found a note on the door in his office, which caused him to get in touch with Jacobs. Casella telephoned Jacobs and asked him what was up. Jacobs replied, "Okay, we're going to get the permit," and said it would cost Casella $50,000. Casella asked, "How is this going to work?" Jacobs said, "Well, you get the $50,000, and we will get a safety deposit box and we'll put it in there and we'll take the keys and we'll go over and I'll give it to him." Casella said, "Who's him? Is that Kastenbaum?" Jacobs said, "Yes. We'll go over and give it to him and then he'll go to the safety deposit box and get it."

Jacobs told Casella they would first get a state business and then the city would have to give him a Miami Beach business.

On the afternoon of February 12, 1969, Casella, accompanied by Jacobs, met Kastenbaum at the latter's office. Casella had had a tape recorder placed on his person. Jacobs told Kastenbaum that he met Casella's friend, that he had the money, and that the money would be placed in a safety deposit box. Kastenbaum said that he didn't even want to see the money and that Jacobs could hold it. He further stated that the money had to be put up in cash, all of it not just part of it, and that the money would be refunded if Casella did not get the permit. Kas-

tenbaum then made a call and arranged for a deposit box to be opened in the name of "Ray and Norman Corporation."

On the afternoon of February 13, 1969, Special Agent Yablonsky, going under the name of "Joe Wexler," Casella and Jacobs went to the Mercantile National Bank. Casella and Jacobs rented a safety deposit box and went into a room. Jacobs and Casella each signed a written sheet, usually required of persons who rent a safety deposit box. The bank gave Jacobs a key to the box and also gave Casella a key to the box. Casella gave his key to F.B.I. Agent Ralph Hill.

On February 17, 1969, Casella, F.B.I. Agent Yablonsky, and Jacobs went to the bank. Jacobs and Casella signed a written sheet, required by banks when a safety deposit box is opened. Yablonsky signed "Joe Wexler" on the back of the sheet. All three went into a private room and Yablonsky opened a brief case he was carrying and took therefrom $50,000 in $100 bills and placed the bills on a table beside the box. Jacobs counted the money and was satisfied that the bills totaled $50,000. Yablonsky asked Jacobs who was the main councilman who had to be reached. Jacobs said, "Englander." Yablonsky said, "I hear that Mayor Dermer is a pretty straight man, * * *." Jacobs said, "He is as bad as the rest of them." The money was put in the box and it was returned to its place in the safety deposit vault.

On February 18, 1969, with a recorder on his person, Casella met with Kastenbaum and Jacobs at the latter's office. Kastenbaum stated he understood the package had been delivered. Jacobs replied that the package was delivered.

The $50,000 was provided to Yablonsky by a Special Agent of the Florida Bureau of Law Enforcement. The record is not entirely clear, but it is apparent that the money was removed by the F.B.I. Agents by a warrant or subpoena shortly after it was counted by Jacobs and placed in the safety deposit box. As stated above by Jacobs, two permits were involved — one from the state to operate buses and one from Miami Beach to operate night club tours.

On February 25, 1969, Casella, with a recorder on his person, met with Kastenbaum at the latter's office. They went over the types of buses, colors, etc., to be used, and Kastenbaum again discussed what the name should be. Kastenbaum was recorded on the tape that was introduced in evidence as saying, "You just don't call up a Councilman. You have to make an appointment, discuss the matter with him and then you have to spread it out in order to make sure that you get whatever you are after."

On February 27, 1969, Casella, with a recorder on his person, accompanied by Yablonsky, met with Kastenbaum at the latter's office. Among other things said, Yablonsky asked Kastenbaum whether it was difficult to obtain such a permit and Kastenbaum told him it was impossible "without a good attorney and a good fee."

On March 5, 1969, Casella attended a meeting of the Miami Beach City Council. An application for Casella's permit or license to operate buses in Miami Beach was presented to the Council by Kastenbaum and the Council voted unanimously to grant the permit. However, Casella never received the permit.

The essence of a criminal conspiracy is the agreement or confederation by two or more persons to commit a crime, and an overt act done by one or more of the conspirators in furtherance of the object thereof.[8]

The offense of conspiracy is complete when the criminal agreement has been entered into and at least one overt act has been performed in furtherance thereof. However, a conspiracy does not necessarily end with the completion of the first overt act. It may be a continuing conspiracy and the parties may continue to commit overt acts in furtherance thereof.[9]

Conspiracy and the substantive offense which is the object thereof are separate offenses,[10] and although the substantive offense is committed, the conspiracy is not merged into the substantive offense.[11]

If there be an agreement or confederation between two or more persons to commit an unlawful act and

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[8]Hanford v. United States, 1 Cir., 231 F.2d 661, 662;
Roberts v. United States, 5 Cir., 416 F.2d 1216, 1220;
Castro v. United States, 5 Cir., 296 F.2d 540, 542;
Romontio v. United States, 10 Cir., 300 F.2d 618, 619;
Carlson v. United States, 10 Cir., 249 F.2d 85, 88;
Colosacco v. United States, 10 Cir., 196 F.2d 165, 168;
Oliver v. United States, 10 Cir., 121 F.2d 215, 219.

[9]Pinkerton v. United States, 5 Cir., 151 F.2d 499, 501;
Poliafico v. United States, 6 Cir., 237 F.2d 97, 106;
Brady v. United States, 8 Cir., 24 F.2d 405, 407;
Carbo v. United States, 9 Cir., 314 F.2d 718, 747.

[10]Callanan v. United States, 364 U.S. 587, 593.

[11]Callanan v. United States, 364 U.S. 587, 590;
Valdez v. United States, 5 Cir., 249 F.2d 539, 541;
Woods v. United States, U.S. App. D.C., 240 F.2d 37, 40;
Doherty v. United States, 10 Cir., 193 F.2d 487, 488.
Sneed v. United States, 5 Cir., 298 F. 911, 913.
Carbo v. United States, 9 Cir., 314 F.2d 718, 733.

one or more acts are done by one or more of the coconspirators, it is immaterial whether the substantive offense is or is not consummated.[12]

Whether the conspiracy charged came into existence when Jacobs telephoned Kastenbaum and made an appointment with Kastenbaum for Casella to see him and endeavor to arrange for Kastenbaum's assistance in obtaining transportation shortly after the middle of December 1968 is not definitely established, but it is clear from the evidence that Jacobs then fully knew that Casella was having great difficulty in obtaining transportation for his tour patrons and was in a desperate situation and would be likely to submit readily to extortion. Kastenbaum learned that the first time Casella met with him, because at that time Casella explained in detail his difficulties in endeavoring to obtain and keep transportation.

It is perfectly clear that the conspiracy came into being between Jacobs and Kastenbaum not later than when Jacobs talked to Kastenbaum shortly after Casella had gone to see Kastenbaum and informed him that he had a financial backer to provide money for obtaining the permit, and that Jacobs thereafter was a member of the conspiracy and was very active in endeavoring to accomplish the extortion until at least the latter part of February 1969.

It is immaterial that prior to the time Casella went to Kastenbaum's office, he had obtained the intervention of the F.B.I. in the matter, and that the extortion could no longer be accomplished nor additional fear be engendered in the mind of Casella than had already taken place.

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[12] Beitel v. United States, 5 Cir., 306 F.2d 665, 670;
Hanford v. United States, 4 Cir., 231 F.2d 661, 662;
United States v. Bayer, 331 U.S. 532, 542.

Not knowing that the F.B.I. was investigating the matter, and that they could not engender more fear in the mind of Casella than they had before the F.B.I. intervened, they continued to attempt to extort $50,000 from Casella, as the term "extort" is defined in the Act, and the conspiracy continued until the end of February 1969.

Indeed, it was not necessary that they attempted to extort money or property from Casella by the use of "actual or threatened * * * fear." It was sufficient to establish the conspiracy count that the Government prove that Kastenbaum and Jacobs conspired or confederated together to do so, and did some acts in the furtherance of the object of such conspiracy. Success or failure to establish a substantive offense, although the efforts continue over a substantial period of time, is not an element of a conspiracy offense and is therefore immaterial.

The proof of what Kastenbaum and Jacobs did in their attempt to extort $50,000 from Casella was material, so far as the conspiracy count was concerned, to prove the formation of the conspiracy and the continuation thereof, and not to establish the commission of the substantive offense. As to the second count, it was material to establish the substantive offense.

There is ample evidence that Casella advertised his bus tours at Miami Beach and in many states other than the State of Florida; that in the short time he operated his tours persons from several states other than Florida took the tours, and that the acts of Jacobs and Kastenbaum in endeavoring to further the object of the conspiracy obstructed, delayed, or affected interstate commerce.

The $50,000 to be paid to Kastenbaum for securing the permit was not a contingent fee. A charge of that amount to secure a permit by legitimate means would be highly exorbitant, indeed preposterous. It plainly appears from Kastenbaum's own statements, the first time he was consulted by Casella, and at further meetings between Casella and Kastenbaum and between Casella and Jacobs, after Jacobs was a member of the conspiracy, that at least a substantial part of the $50,000 was going to be used to secure favorable action by the public officials.

For example, the first time that Kastenbaum talked to Casella and the amount of $10,000 was discussed, he told Casella, "You have to have an attorney with a good fee. You can't go to a councilman and offer him $100. You have to give him at least $1,000 or $1,500 * * *."

We shall next consider whether the court erred in admitting the tape recordings of pertinent conversations between Casella and Kastenbaum and Casella and Jacobs.

There was no unlawful physical invasion of the premises of either Kastenbaum or Jacobs, under circumstances that would violate the Fourth Amendment. The tape recordings of the conversations were made in order to obtain the most reliable evidence possible of such conversations, and they were conversations that Casella was entitled to disclose and testify to at the trial.

The fact that Casella and the F.B.I. Agents did not intend to pay the $50,000 to Kastenbaum did not make such conversations constitutionally protected.

Certain of the tape recordings made were not offered in evidence, because they were unintelligible, due to outside noises or for other reasons. The tape recorder was placed on Casella by F.B.I. Agent Benjamin P. Grogan.

After a conversation was recorded, Grogan took the tape recorder and the tape of the conversation made on it and retained custody of the tape recording. There were no alterations, deletions, or additions to the recordings. Some that were unintelligible, because of outside noises or other interference, were not offered in evidence.

Grogan made transcripts of the tape recordings that were introduced. He knew the voices of the persons who participated in the recorded conversations. On the transcripts, he identified the persons speaking by letters preceding what such person said each time he spoke. He explained which person each letter stood for. For example, Kastenbaum was indicated by the letter "K". He repeated what the letters stood for when asked to do so by some of the jurors.

The tapes were received in evidence and were played at the trial to the jury and to each of the counsel for the parties and to the parties themselves. Each juror was provided with a transcript of each tape while it was being played, in order for him to identify the speaker making a recorded statement.

However, before the tape recordings were played, the court very clearly instructed the jurors that the transcripts were to be used by each juror to enable him to identify the person speaking, whose statement was being reproduced by the recorded tapes when played and for no other purpose, and that the only evidence the jurors could consider was that reflected by the tape recordings themselves, and not by anything in the transcripts. The jurors surrendered the transcript of each tape recording when the playing of such recording was completed.

Counsel for Jacobs and Kastenbaum were permitted to hear the tape recordings with their clients, to examine the transcripts, and to use them while the tape recordings were being played, prior to the trial.

We conclude that the court followed the proper procedure, properly instructed the jury, and properly admitted the recordings in evidence. It is self-evident that a tape recording would be more accurate than the recollection of a witness a year or more after the conversation had occurred.

We think this conclusion is fully supported by the decision of the United States Supreme Court in *Lopez v. United States*, 373 U.S. 427.[13]

The court limited the number of character witnesses to be introduced by each defendant to three. By doing so, we do not think he abused his discretion.

The other claims of error set up by Jacobs and Kastenbaum in their respective briefs are, in our opinion, wholly without merit and do not warrant extended consideration.

Since both defendants were convicted on Count I, and the sentence on Count II was to run concurrently with the sentence on Count I, we find it unnecessary to give consideration to the validity of the conviction of Kastenbaum on the second count. See cases cited in Note 3, supra.

The judgments are AFFIRMED.

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[13] See also, Baker v. United States, U.S. App. D.C., 430 F.2d 499, 503 (1970);
United States v. Perlman, 7 Cir., 430 F.2d 2, 26 (1970).

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 30019

UNITED STATES OF AMERICA,
Plaintiff-Appellee,

versus

NORMAN JACOBS and GEORGE KASTENBAUM,
Defendants-Appellants.

Appeals from the United States District Court for the Southern District of Florida

ON PETITIONS FOR REHEARING AND PETITIONS FOR REHEARING EN BANC

(Opinion Sept. 29, 1971, 5 Cir., 1971, __ F.2d __).

(November 17, 1971)

Before BROWN, Chief Judge, and PHILLIPS,* and INGRAHAM, Circuit Judges.

PER CURIAM: In connection with the Petitions for Rehearing for each of the Appellants, the Court adds the following to its opinion. The word "fear" as it is used in the definition of extortion in subsection (B) (2) of 18 U.S.C.A. § 1951 reading "the term 'extortion' means the obtaining of property from another, with his consent,

*Of the Tenth Circuit, sitting by designation.

induced by wrongful use of actual or threatened * * * fear * * *" embraces fear of economic loss. *United States v. Iozzi*, 4 Cir., 1970, 420 F.2d 512, *cert. denied*, 1971, — U.S. —, — S.Ct. —, 29 L.Ed.2d 111. See also *United States v. Tropiano*, 2 Cir., 1969; 418 F.2d 1069, *cert. denied*, 1970, 397 U.S. 1021, 90 S.Ct. 1258, 25 L.Ed.2d 530, and *United States v. Sweeney*, 3 Cir., 1959, 262 F.2d 272. The Petitions for Rehearing filed on behalf of Norman Jacobs and George Kastenbaum are each DENIED and no member of this panel nor Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc, (Rule 35 Federal Rules of Appellate Procedure; Local Fifth Circuit Rule 12) the Petitions for Rehearing En Banc are each DENIED.

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Nos. 71-789 and 71-796

In the Supreme Court of the United States

OCTOBER TERM, 1971

NORMAN JACOBS, PETITIONER

v.

UNITED STATES OF AMERICA

GEORGE KASTENBAUM, PETITIONER

v.

UNITED STATES OF AMERICA

ON PETITIONS FOR WRITS OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

MEMORANDUM FOR THE UNITED STATES IN OPPOSITION

ERWIN N. GRISWOLD,
Solicitor General,
Department of Justice,
Washington, D.C. 20530.

In the Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-789

NORMAN JACOBS, PETITIONER

v.

UNITED STATES OF AMERICA

No. 71-796

GEORGE KASTENBAUM, PETITIONER

v.

UNITED STATES OF AMERICA

ON PETITIONS FOR WRITS OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

MEMORANDUM FOR THE UNITED STATES IN OPPOSITION

After a jury trial in the United States District Court for the Southern District of Florida, petitioners were convicted of having conspired to violate the Hobbs Act, 18 U.S.C. 1951, by conspiring to obtain $50,000 through extortion. Petitioner Kastenbaum was additionally convicted of attempted extortion. Jacobs was sentenced to eighteen months' imprison-

455-038—72—1

ment; Kastenbaum received concurrent prison terms of five and three years, respectively. The court of appeals affirmed (Pet. App. 1a–21a).

The facts of the case are set forth in some detail in the opinion of the court of appeals. Briefly, the evidence established that in December 1968, Raymond Casella sought to organize a night-club bus tour business in Miami Beach. He had difficulty finding a bus company which would rent him buses for the tour, and when he did find one (A–1 Bus Company), he was told by a police sergeant that he could not use the company because it did not have a proper permit (App. 62).[1] The police sergeant sent Casella to Jacobs, who agreed to supply him with taxi cabs for the tour but after the first night reneged, claiming that he was prevented from continuing because of a contract with another client (App. 62–63). Jacobs then sent Casella to Kastenbaum who told Casella he could get him a bus permit for $10,000 by bribing city councilmen (App. 67). Casella said he did not have that kind of money and the conversation ended. Casella was then able to arrange transportation with the Metro bus company (App. 68, 72) but his business was plagued with false reservations (App. 69).[2] Two weeks later Jacobs told Casella that he had "heard" that certain parties were going to "stop you from operating. * * * Metro isn't going to give you any buses" (App. 72). Shortly thereafter, Metro cancelled the contract. Casella then

[1] "App." refers to the Appellants' Appendix below.

[2] Also during this period Casella's cat was found on his doorstep, shot through the head (App. 68).

returned to Kastenbaum (App. 73). At first Kastenbaum said there was nothing he could do, but when he found out that Casella had financial backing,[3] he told Casella to see Jacobs (App. 74). Later Jacobs reported that he could arrange the permit for $50,000 to be placed in a safety deposit box for which Kastenbaum would be given the key (App. 77). At a subsequent meeting, it was arranged that the money would be deposited in a box for which Jacobs and Casella were each given a key (App. 94). On February 18, 1969, Kastenbaum met Jacobs and Casella. After Jacobs said the package had been delivered (App. 98), Kastenbaum discussed the application for a bus permit. Later, Kastenbaum told Casella that some of the people working with him wanted to retain 10% of the business and that they were insisting on this, with Kastenbaum to be trustee (App. 118, 131–132).[4]

1. Petitioners contend in effect that the proof of conspiracy to violate the Hobbs Act was insufficient since there was no threat or plan to threaten the victim; that the evidence showed at most a conspiracy to bribe or the demand for a high contingent legal fee. The evidence, however, clearly justified the inference drawn by the jury that petitioners, who knew of Casella's desperate financial situation, attempted to play upon his fears of economic loss to wring from him $50,000, and, in addition to get an interest in his

[3] The "financial backing" came from the F.B.I. whom Casella had contacted in the interim.

[4] The City Council approved Casella's application for a permit on March 5, 1969, but Casella never received it.

business. Kastenbaum's statement to Casella that it was impossible to get a permit "without a good attorney and a good fee" (App. 121) made it clear to Casella that he had no hope of success unless he met Kastenbaum's demands. This is extortion in common parlance and in legal definition. Unlike the situation in *United States* v. *Kubacki*, 237 F. Supp. 638 (E.D. Pa.), relied on by petitioners, the victim here (Casella) was not threatened merely with loss of a single contract, but with a total inability to do business in Miami Beach if he failed to pay Kastenbaum $50,000. See also *United States* v. *Addonizio*, 449 F. 2d 101 (C.A. 3), petition for a writ of certiorari pending (No. 71-744). The fact that petitioners couched their demands in terms of a bribe for others did not lessen the duress.

2. Since the issue at trial was whether petitioner preyed on Casella's fear of economic loss, the court properly excluded as irrelevant proffered testimony (App. 415-416) which allegedly would have shown that in October 1968, before the events here at issue, Casella had indicated to police sergeant Dresner that he would be willing to pay a bribe to get a permit to operate buses in Miami Beach. If the evidence had been admitted and were true, it would only have shown that Casella was in a position that made the subsequent extortion easier. Rather than broaden the trial to include this contestable allegation, the court was well within its discretion in rejecting testimony on this subject. The conviction in this case was fully reviewed by the court of appeals, on whose opinion

we primarily rely and presents no issue worthy of further review by this Court.

It is therefore respectfully submitted that the petition for a writ of certiorari should be denied.

ERWIN N. GRISWOLD,
Solicitor General.

FEBRUARY 1972.

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SUPREME COURT, U. S.

In the Supreme Court of the United States

OCTOBER TERM, 1971

Supreme Court, U. S.
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NOS. 71-789
71-796

UNITED STATES OF AMERICA,
Respondent,

vs.

GEORGE KASTENBAUM and NORMAN JACOBS,
Petitioners.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

GEORGE KASTENBAUM
in PRO PERSONAM
16870 N.E. 19th Avenue
North Miami Beach, Florida 33162
and
NORMAN JACOBS,
in PRO PERSONAM
16870 N.E. 19th Avenue
North Miami Beach, Florida 33162

MIAMI REVIEW — 371-4853 — 377-3721

INDEX

	Page
REASONS FOR GRANTING REHEARING AND ISSUING THE WRITS	2
SUPPLEMENTAL STATEMENT OF FACTS OF THE CASE	3
QUESTIONS	4-5
ARGUMENT	6
CONCLUSION	17
CERTIFICATE OF PETITIONERS	17
CERTIFICATE OF SERVICE	18
APPENDIX	App. 1-App. 18

TABLE OF CASES

Case	Page
Bearden v. United States, 304 F.2d 532 (5th Cir. 1962)	11
Bell v. U.S., 349 U.S. 81, 83, 99 L.Ed. 905, 910, 75 S.Ct. 620 (1955)	13
Bianchi v. United States, 219 F.2d 182 (8th Cir. 1955)	11
Callahan v. United States, 223 F.2d 171 (8th Cir. 1955)	11
Esperti v. United States, 406 F.2d 148, 150 (5th Cir. 1959)	10
Garner v. Louisiana, 368 U.S. 157, 163	6
Gregory v. City of Chicago, 394 U.S. 111 22 L.Ed.2d 134, 89 S.Ct. 946	6
Knapp v. Schweitzer, 357 U.S. 371, 375 (1958)	7, 10, 15
McBoyle v. United States, 283 U.S. 25, 27 (1931). (Holmes J.)	16
Nick v. United States, 122 F.2d 660, 668 (8th Cir. 1941) cert denied 314 U.S. 687 (1941)	6

TABLE OF CASES (cont.)

Case	Page
NLRB v. Jones & Laughlin Steel Corporation, 301 U.S. 1, 30 (1937)	6, 10
Rewis v. United States, 401 U.S. 808 L.Ed.2d 493, 91 S.Ct. 1056	8, 16
Scales v. U.S., 367 U.S. 203, 6 L.Ed.2d 782, 81 S.Ct. 1469	13
Stirone v. United States, 361 U.S. 212 (1960)	11
Thompson v. City of Louisville, 368 U.S. 199	6
United States v. Amabile, 395 F.2d 47 (7th Cir. 1968)	10
United States v. Battaglia, 394 F.2d 304 (7th Cir. 1968)	10
United States v. Cardiff, 344 U.S. 174 (1952)	16
United States v. Denneth Bass, Case no: 70-71	2, 7, 15
United States v. Floyd, 228 F.2d 913 (7th Cir. 1956)	11

TABLE OF CASES (cont.)

Case	Page
United States v. Green, 346 F.2d 155 (7th Cir. 1957)	11
United States v. Kramer, 355 F.2d 891 (7th Cir. 1966)	10
United States v. Local 807, International Brotherhood of Teamsters, et al., 315 U.S. 521 (1941)	12
United States v. Prano, 385 F.2d 387 (7th Cir. 1967)	10
United States v. Provenzano, 334 F.2d 678 (3rd Cir. 1964)	11
United States v. Universal C.I.T. Credit Corp., 344 U.S. 218, 221-222 (1952)	16
Washington v. U.S., 357 U.S. 348	6
White v. Texas, 309 U.S. 631, 310 U.S. 530	2
Younger v. Harris, 401 U.S. 37	8

In the Supreme Court of the United States

OCTOBER TERM, 1971

NOS. 71-789
71-796

UNITED STATES OF AMERICA,
Respondent,

vs.

GEORGE KASTENBAUM and NORMAN JACOBS,
Petitioners.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

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PETITION FOR REHEARING

Petitioners, GEORGE KASTENBAUM and NORMAN JACOBS, pursuant to Rule 58 (2) of the Supreme Court Rules, respectfully move this Court for an order (1) vacating its order of February 28, 1972 denying their respective petitions for writs of certiorari, and (2) pray for a rehearing so that this Court will grant their petitions.

REASONS FOR GRANTING REHEARING AND ISSUING WRITS

Petitioners believe that substantial grounds exist so as to warrant this Court issuing writs of certiorari.

For reasons immaterial to your petitioners filing this joint petition for rehearing, your petitioners submit that one question posed to both the District Court and the Fifth Circuit Court of Appeals was not presented to this Court and submission of this question (based upon the interstate nexus necessary to support federal jurisdiction) may result in issuance of the writs.

Petitioners submit that this petition for rehearing is directed only to grounds specified herein.

An intervening circumstance of controlling importance is the decision on December 20, 1971, (Jacobs' petition was filed 12/17/71 and Kastenbaum's petition was filed 12/19/71) of this Court in *United States v. Bass*, no: 70-71 (not as yet reported) which, on the interstate jurisdictional question posed hereinbelow, parallels the approach to federal criminal jurisdiction so as to warrant a review of this case, if the Court believes constitutional questions of great importance require issuance of the writs albeit petitioners have not previously presented the question in their original petitions. (*White v. Texas*, 309 U.S. 631, 310 U.S. 530).

SUPPLEMENTAL STATEMENT OF FACTS OF THE CASE

Petitioners reiterate and restate the respective Jurisdictional Statements, Statutes Involved and Statements of the Case as appear in petitions 71-789 and 71-796 as if herein set out in haec verbae. Petitioners would supplement statements of the case with the following, none of which can be disputed.*

Kastenbaum advised Casella that a nightclub tour operator was not legally permitted to own buses or bus permits, it being illegal by Miami Beach Ordinance. (Tr. 302, 891) (App. 1).

Kastenbaum told Casella that it would be a completely new business venture he would be going into that would obtain a bus permit and as part of its operation, could contract buses to Kastle Tours and do business with any other corporation, person or firm. (Tr. 302-303) (App. 2).

Casella and Kastle Tours were defunct, out of business and not in operation when Casella went back to Kastenbaum five weeks after his first visit (Tr. 147) (App. 2) (he was also not in business on his first visit (Tr. 585) (App. 2)) to Kastenbaum and on this second visit he was sent by the police to offer police money to Kastenbaum for a permit. (Tr. 165-168, 359-362, 625-629, 497-498) (App. 3-10).

The bus permit that Casella and the F.B.I. agent were going to get was a valuable property right. (Tr. 248, 254, 892-894) (App. 10-11).

*References throughout are to the trial transcript (Tr.) and the Appendix attached to this Petition (App.).

There was no evidence submitted by the government, nor could there be any reasonable inference from any of the evidence, that either petitioner had anything at all to do with Casella going out of business before he went back to Kastenbaum at the suggestion of the police and with the offer of police money for a bus permit. (Tr. 418-419, 440-441) (App. 11-12).

QUESTIONS

I. SINCE CONGRESS CLEARLY INTENDED THE HOBBS ACT TO FREE INTERSTATE COMMERCE FROM ANY DESTRUCTIVE BURDEN, DOES A POTENTIAL EXPANSION OF INTERSTATE COMMERCE FALL WITHIN THE CRIMINAL SANCTIONS OF THE ACT?

II. DID CONGRESS INTEND THE HOBBS ACT TO CONTROL AN ACTIVITY AFFECTING "NO BUSINESS"?

Petitioners suggest that the above questions should be answered in the negative. Since the two issues are inextricably connected, they will herein be argued together.

Petitioners posed the jurisdictional question of interstate commerce to the Fifth Circuit Court of Appeals and in their entire twenty-seven-page opinion, the Fifth Circuit answered the question as follows:

> "There is ample evidence that Casella advertised his bus tours at Miami Beach and in many states other than the State of Florida; that in the

> short time he operated his tours persons from several states other than Florida took the tours, and that the acts of Jacobs and Kastenbaum in endeavoring to further the object of conspiracy obstructed, delayed, or affected interstate commerce." (page 24) (page 18a of Appendix of Kastenbaum's original Petition for Writ of Certiorari)

The Fifth Circuit did in no way whatever make any statement as to what act of either Jacobs or Kastenbaum obstructed, delayed or affected interstate commerce; regardless, said Circuit clearly overlooked a jugular point regarding interstate commerce—Casella and Kastle Tours *were not in business* when they visited Kastenbaum or Jacobs.

"The fear of economic loss" contention, as indicated in the Fifth Circuit's supplemental opinion (Appendix—pages 22a-23a of Kastenbaum's original petition for writ of certiorari) (App. 13) is utterly illogical since Casella had no money and his business was defunct when he went to Kastenbaum. The Fifth Circuit completely contradicted itself by stating in its original opinion:

> "The fact that Casella and the F.B.I. Agents did not intend to pay the $50,000 to Kastenbaum did not make such conversations constitutionally protected." (Page 19a of Appendix of Kastenbaum's original petition for Writ of Certiorari)

Therefore, it is incontestable that Casella could have no fear of economic loss. We state this only in relation to the interstate jurisdictional question, to be argued, *infra*. The government should readily acknowledge that neither Kastenbaum nor Jacobs had anything at all to do with Casella going out of business.

ARGUMENT

This Court has stood fast in criminal cases for the proposition that a person is denied due process where the jurisdictional threshhold is totally devoid of evidentiary support, rendering a conviction thereunder unconstitutional. *Thompson v. City of Louisville*, 368 U.S. 199; *Garner v. Louisiana*, 368 U.S. 157, 163; *Washington v. U.S.*, 357 U.S. 348; *Gregory v. City of Chicago*, 394 U.S. 111, 22 L.Ed.2d 134, 89 S.Ct. 946.

The constitutionality of the Hobbs Act rests upon the commerce clause of the United States Constitution; *Nick v. United States*, 122 F.2d 660, 668 (8th Cir. 1941), cert denied 314 U.S. 687 (1941). But, while the power of the Congress under the commerce clause is broad, Congress, in enacting legislation under the commerce clause, *must intend to exercise federal dominion over the area which is adjudicated by authority of that legislation*: otherwise, the power to regulate the activity is reserved to the states. Thus, in *NLRB v. Jones and Laughlin Steel Corporation*, 301 U.S. 1, 30 (1937), the Supreme Court observed:

> "The authority of the federal government may not be pushed to such an extreme, as to destroy the distinction which the commerce clause itself establishes between commerce 'among the several states' and the internal concerns of a state. That distinction between *what is national and what is local in the activities of commerce is vital to the maintenance of our federal system.*" (emphasis supplied)

Even more recently, in *Knapp v. Schweitzer*, 357 U.S. 371, 375 (1958) this Court observed:

> "It is relevant to remind that our Constitution is one of particular powers given to the national government with the powers not so delegated reserved to the states or, in the case of limitations upon both governments, to the people. Except insofar as penal remedies may be provided, under the explicit authority to 'make all Laws which shall be necessary and proper for carrying into Execution' the other powers granted by Art. 1, Sec. 8, *the bulk of authority to legislate on what may compendiously be described as criminal justice, which in other nations* belong to the central government, *is under our system the responsibility of the individual states.*" (emphasis supplied)

As will be conclusively demonstrated, Congress never intended to control the activity which resulted in petitioners' convictions—nor did it ever consider the possibility of such a result—by enacting the commerce clause provision of the Hobbs Act. Supportive of the commerce clause question is a recent decision of this Honorable Court decided on December 20, 1971, *United States v. Bass*, case no: 70-71. One can only conclude from *Bass* that a strained interpretation of the interstate commerce element so as to support federal jurisdiction would "mark a major inroad into a domain traditionally left to the states." Although *Bass* turned on the ambiguity of a section of the Omnibus Crime Control and Safe Streets Act, this Court indicated that because the sanctions under the Act were criminal, it

must be liberally interpreted in favor of a narrow reading; however, this Court in its opinion, has manifested that *any* federal offense *must* have a nexus with interstate commerce, 40 LW at 4105; and the inclusion of any phrase regarding interstate commerce "mirrors the approach to federal criminal jurisdiction reflected in many other federal statutes," citing the Hobbs Act as one of these federal statutes. (40 LW at 4102, f.n. 8) This Court in *Bass*, supra, reiterated that "this Congressional policy is rooted in the same concepts of American federalism which has provided the basis for judge-made doctrines." (see: e.g. *Younger v. Harris*, 401 U.S. 37.) *Bass* cited *Rewis v. United States*, 401 U.S. 808, 28 L.Ed. 2d 493, 91 S.Ct. 1056, wherein an expanded interpretation of the Travel Act as regards interstate commerce was struck down so as to affirm there must be a reasonable interstate commerce nexus to support federal jurisdiction.

Examination of all of the evidence which was offered by the government in the case at bar to establish the element of interstate commerce substantiates that there could not conceivably be any nexus with interstate commerce which would support federal jurisdiction, under the terms of *Bass*.

On motion for directed verdict by defendant's counsel, regarding the indispensable element of interstate commerce, the trial court stated:

> "The thrust of the defendant's argument, Mr. Walsh, as I conceive it, is assuming arguendo that you did establish that they were actually engaged in interstate commerce during the period of time

that they were operating this business, nevertheless the evidence shows that at the time they first talked to Mr. Kastenbaum and thereafter they were not operating this business and therefore they were not in interstate commerce and (721) therefore, any action could not affect interstate commerce because they weren't in it. That is the thrust of their argument as I see it." (Tr. 720-721)

The totality of the evidence offered by the government to support the indispensable element of interstate jurisdiction was for the period when Casella was in business, (Tr. 147) (App. 2),[1] *but no evidence or testimony was*

[1]One witness, Carol Ann Eustis (Tr. 67-68) (App. 16) testified that she had come from Ohio in December of 1968 to Miami Beach and while in Miami Beach had taken one of Kastle Tours. She received a brochure for the tour at a Miami Beach hotel after she arrived (Tr. 68-69) (App. 16). She further testified that the existence of Kastle Tours had no bearing on her trip to Miami Beach (Tr. 74-75, 77) (App. 17-18).

William I. Silverman (Tr. 339) National Chairman of the National Wiping Cloth Association, testified he had responded on 1/9/69 to a letter written by Mrs. Casella to him on 1/4/69, but the letter had nothing to do with the decision of the association to hold its meeting in Miami Beach (Tr. 345) (App. 17), a decision which had already been made prior to receipt of Mrs. Casella's letter.

Mrs. Casella testified that she wrote to persons representing convention groups, already committed to coming to Miami Beach asking them to utilize Kastle Tours when they arrived and she identified letters she had written to them. (g. exhibit 15). Of course, none of the groups she wrote to even knew of Kastle Tours existence. (Tr. 583, 74-75) (App. 17-18). There was also testimony that some of the people who took the tour while in Miami Beach paid by checks drawn on out-of-state banks or with travelers checks purchased out-of-state.

Omitting for the purpose of our argument, that Casella was not in business, let us examine the type of evidence presented by the government so as to decide whether such evidence can bridge the threshhold jurisdictional question of interstate commerce.

offered to show that any act by either Kastenbaum or Jacobs even speculatively had any effect upon interstate commerce during the aforesaid time of Kastle Tours operation.

The nub of federal jurisdiction and the reason Congress passed the Hobbs Act was to prosecute persons who attempt to detrimentally affect interstate commerce. There is no evidence nor can there be by any inference, reasonable or remote, that either Kastenbaum or Jacobs did anything that could be interpreted to affect interstate commerce in any way or degree while Casella and Kastle Tours was in operation.

Simply going on a Kastle Tour when one had come on a vacation to Miami Beach, cannot be considered an affectation of interstate commerce as indicated in the Hobbs Act. (*Rewis v. U.S.*, supra). The mailing of letters to conventioneers and the receipt of same when said conventioneers are already committed to come to Miami Beach could not affect interstate commerce in any way or degree. The forwarding of letters has never been held to put a business into interstate commerce even on a de minimis basis. Certainly the payment of money, of checks or travelers checks for the taking of a tour was never intended to be considered an affectation of interstate commerce, otherwise it would be fair to state that the giving of a check or money, no matter where committed in any of the fifty states under extortionate circumstances, would have an affect upon interstate commerce so as to make that crime federal under the Hobbs Act rather than one amenable to state process. An absurd result such as this clearly runs afoul of the principles of *Jones & Laughlin and Knapp v. Schweitzer*, supra.

Nothing, plus nothing, plus nothing, should add up to nothing.

We are willing to accept all of the cases cited by the Fifth Circuit. An analysis however, of each of these Hobbs Act cases reflect that the industry or company there under consideration, as opposed to what may be contained in the language of the opinions, unquestionably had some affect upon interstate commerce. *Esperti v. United States*, 406 F.2d 148, 150 (5th Cir. 1959); *United States v. Amabile*, 395 F.2d 304 (7th Cir. 1968) and *United States v. Battaglia*, 394 F.2d 304 (7th Cir. 1968) (extortion from a builder dependent upon interstate shipments for material); *United States v. Prano*, 385 F.2d 387 (7th Cir. 1967) (manufacturing plant using interstate material); *United States v. Kramer*, 355

Casella and Kastle Tours became non-operative because Casella could not get buses (Tr. 147) (App. 2). Casella went to a law enforcement agent (Tr. 165-168, 359-362, 625-629, 497-498) (App. 3-10) and complained of his inability to get buses and was sent to Kastenbaum to offer police money for a bus permit.

Assuming, arguendo, that a conspiracy to extort has been in being or came into being between Kastenbaum and Jacobs, how is interstate commerce affected in "any way

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F.2d 891 (7th Cir. 1966) (same); *United States v. Provenzano*, 334 F.2d 678 (3rd Cir. 1964) (interstate truck line); *Bearden v. United States*, 301 F.2d 155 (7th Cir. 1957) (interstate river travel); *United States v. Floyd*, 228 F.2d 913 (7th Cir. 1956) (interstate pipe line); *Callahan v. United States*, 223 F.2d 171 (8th Cir. 1955) (same); *Bianchi v. United States*, 219 F.2d 182 (8th Cir. 1955); *United States v. Green*, 346 F.2d 155 (7th Cir. 1957).

All of the aforesaid cases collide with the opinion of this Court in *Stirone v. United States*, 361 U.S. 212 (1960). In *Stirone*, the defendant was tried under an indictment charging obstruction of interstate commerce in the importation of building material. The trial judge permitted the case to go to the jury on the alternate theory that not only may these materials have been obstructed, but that the finally exported product may also have been. This Court reversed and, while the case is normally cited for the proposition that the proof and the charge must coincide, it must also be read to sustain the proposition that the allegations of obstructing or affecting interstate commerce mean something more than paying lip service to some words in the statute. Clearly *Stirone* follows a reasonable interpretation of the commerce clause as related to the Hobbs Act by holding fast to the proposition that there is a division of federal and state jurisdiction.

There is no suggestion, nor can there be any, that any person decided to come or not to come to Florida because of the availability or non-availability of Kastle Tours. There is no suggestion, nor can there be one, that Kastle Tours played any role in the formation of anyone's itinerary. Kastle Tours, while in operation, was distinctly local. We perceive that the true test, as outlined by the cases and especially *Esperti*, supra, is that there must be some impact upon interstate commerce in some way or degree.

The case herein is totally devoid of evidentiary support in law or fact so as to be lethal to our traditional concept of dual sovereignty.

or degree" within the intent of Congress if the conspiracy to attempt extortion or attempt to extort is not detrimental or a burden to interstate commerce, but gives Casella a new business (Tr. 302-303) (App. 1-2) that expands interstate commerce, assuming further, that the business will be considered as affecting interstate commerce in "any way or degree"?

There is no testimony or evidence that the charge of $50,000 for a bus permit is not worth the bus permit. In fact, the only testimony introduced at the trial indicated the permit necessary for the new business was worth far in excess of $50,000. (Tr. 248, 254) (App. 10). Assuming that part or all of the $50,000 was going to be used to bribe city councilmen, which is reasonable to infer from some of the evidence, there is still no effect upon interstate commerce that one could consider detrimental in any way or degree—which was the sole purpose of the Hobbs Act. *U.S. v. Local 807, International Brotherhood of Teamsters, et al.*, 315 U.S. 521 (1941). One must strain reason to understand how either Kastenbaum or Jacobs in any way did anything to detrimentally affect interstate commerce under any interpretation of the Hobbs Act.

An examination of all Hobbs Act cases will reveal not one case even close as regards the indispensable element of interstate commerce. Every Hobbs Act case involved a business in being with some act or deed of a defendant that could unquestionably be considered a burden to interstate commerce in some way or degree. (See footnote 1, *supra*.)

To amplify a fact situation that could conceivably meet a statutory construction intended to have a nexus with interstate commerce is reasonable; to explain or enlarge

upon phraseology used in a statute that could rationally meet its definitive test is also judicially permissible; but to create fiction from a statute is something this Court has always denounced. *Scales v. United States*, 367 U.S. 203, 6 L.Ed. 2d 782, 81 S.Ct. 1469. Due process requires a reasonable interpretation of the fact situation as related to effect on interstate commerce and especially where there are criminal sanctions, ambiguity is always resolved in favor of lenity. *Bell v. U.S.*, 349 U.S. 81, 83, 99 L.Ed. 905, 910, 75 S.Ct. 620 (1955).

Assuming, arguendo, that Casella and the F.B.I. agent, (posing as a transportation mogul) are extortable, and further assuming that the defendants have or are conspiring to extort from Casella and the F.B.I. agent, it was utterly impossible for there to be an effect on interstate commerce in any way or degree because the F.B.I. had removed the money necessary to obtain the permit. (Tr. 690, 864-865) (App. 14).

Going the furthest step reasonably possible and accepting the interstate jurisdictional requirement as taking into consideration that Congress also intended to prevent extortion in establishment of any future business, there still could be no effect, even de minimis, on interstate commerce since the $50,000 was removed from the vault immediately. (Tr. 864-865) (App. 14). Simple logic can only conclude that the acts of Casella in concert with the F.B.I. was to catch a "fish or two" but never to go into any business; they never intended to pay for this valuable property right and never expected it. (Appendix—page 19a of Kastenbaum's original petition for writ of certiorari) (App. 15) Hence, it was impossible for the interstate commerce jurisdictional requirement to be met even on a future potential basis.

The Legislative history of the Hobbs Act and its predecessor Case Bill, respectively passed in 1946 and 1934, clearly indicate that some reasonable effect upon interstate commerce must be shown to a business in being although we have gone further and interpreted the requirement to regulate prevention of a potential business.

None of the committee notes nor speeches on the House or Senate floor prior to passage of the Case Bill in 1934 (H.R. 32), known as the Anti-racketeering Act, could conceivably take into reasonable account the fact situation involved herein. Further, the amended Case Bill in 1946 known as the present Hobbs Act clearly indicated that it referred to a business in being: not to play acting on the part of an F.B.I. agent.

We all know that the Hobbs Act amended the Case Bill because of the Supreme Court ruling in 1942 wherein Teamster members of Local 807 were immunized from extortion because of a labor exclusion in the Case Bill. Members of Teamsters Local 807 stopped vegetable produce farmers at the New York exit of the Holland Tunnel and forced them to pay money for the "privilege" of driving the farmers' truck to market. Without elaborating on the interstate commerce aspect of that case, discussion on the House floor clearly indicates that Congress never intended to control an activity as being "in" interstate commerce where there was either "no business," or where a potential business was never actually intended.

Representative Gwynne of Iowa, a strong proponent of the Hobbs Act, stated the following in 1945 in the House debate, (House Congressional Record, page 11903):

> . . . "First they would need to prove that the activity complained of in some way affected interstate commerce; second, they would have to prove that there was an actual, not a theoretical, taking of personal property; third, they would have to prove that the taking was by violence, by personal violence, or by actual threats of personal violence; and then, fourth, they would have to prove that the acts done—they might be violent, they might take something, but the Government would have to prove in addition that the acts done did not come within the exceptions set out in title III."

None of the discussions on the House and Senate floor indicate that the fact situation involved herein was ever contemplated.

If this Court allows these convictions to stand, then any conspiracy to extort in any state is amenable to federal jurisdiction without the required interstate commerce nexus. Congress never intended this nor should this Court refuse to follow all predecessor cases holding firm to a division of federal and state jurisdiction as constitutionally sanctioned. (Comm. clause, Constitution), *United States v. Bass*, 70-71; (40 LW 4101) (1971) (not yet reported); *Rewis v. United States*, 401 U.S. 808 (1971); *Knapp v. Schweitzer*, 357 U.S. 371, 375 (1958). There is no Supreme Court case which ignores the requirement that some connection with interstate commerce, even de minimis, must be established as a basis for conviction of a federal crime where the power of Congress to enact the statute is derived from the commerce clause.

Hobbs Act cases have arisen and are numerous in all federal circuits. The reasoning of all of the various federal circuits are so divergent so as to leave the citizens of this Country without a fair warning of what the law intends in Hobbs Act cases. *McBoyle v. United States*, 283 U.S. 25, 27 (1931) (Holmes, J.). See also *U.S. v. Cardiff*, 344 U.S. 174 (1952). It is also appropriate under our form of government for this Court to make universal or require Congress to have spoken in language that is clear and definite especially where Congress has declared criminal sanctions. *U.S. v. Universal C.I.T. Credit Corp.*, 344 U.S. 218, 221-222 (1952).

The federal government will continue to use the Hobbs Act as a vehicle to prosecute a multitude of persons and thereby unlawfully replace state jurisdiction unless this Court clearly indicates that a reasonable interstate nexus, even de minimis, is necessary to support federal jurisdiction or in the alternative, to spell out the difference between this Court's opinion in *Stirone*, supra, and the divergent opinions of the federal circuits, although *Stirone*, *supra*, and the Circuit decisions support petitioners' jurisdictional position. (All cited in footnote #1.)

CONCLUSION

Since Congress clearly intended the Hobbs Act to free interstate commerce from *destructive* or *detrimental* effects rather than from potential benefits, and since Congress just as clearly did *not* intend the Hobbs Act to encompass the activities involved in the instant case, it is submitted that the application of the Hobbs Act herein is an unconstitutional extension of that statute, as reflected by the intervening decision of this Court in *Bass, supra*. It is therefore respectfully submitted that rehearing should be granted and a writ of certiorari should issue, as prayed in the Petition.

CERTIFICATE

I hereby certify that the foregoing Petition for Rehearing is presented in good faith and not for delay and is restricted to the grounds specified in Rule 58 (2) of the Rules of this Court.

GEORGE KASTENBAUM
in Pro Personam

NORMAN JACOBS
in Pro Personam

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT THIS 24TH DAY OF MARCH, 1972, THREE COPIES OF PETITIONERS' PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI WERE MAILED TO: ERWIN N. GRISWOLD, Solicitor General, Department of Justice, Washington, D.C. I further certify that all parties required to be served have been served.

APPENDIX

APPENDIX

CASELLA — Direct

"K: Any questions that come up, you expect. You see, it is illegal for you, uh, rather for you to have a bus permit as a travel agency, you understand that?

"C: Yes, that I understand. (Tr. 302)

* * *

KASTENBAUM — Direct

"Q. Can you tell us, Mr. Kastenbaum, whether Kastle Tours, Inc., under the license that it had from the City of Miami Beach at that time was entitled, under the law, to operate?

A. No, sir. That is not understood by — I don't mean to say I know more than anybody, but I don't understand that. Tours cannot operate buses. It is forbidden by the ordinances in the City of Miami Beach, just as with other communities. There are ordinances.

THE COURT: You have answered the question. Lets don't go into a lengthy discourse on general law. Ask your next question.

BY MR. BECKHAM:

Q. Can you tell us, sir, whether any tour agency under the type of license that Kastle had, was entitled to operate buses?

A. No, sir. They can't." (Tr. 891)

CASELLA — Direct

"K: . . . So, if any questions come up at all, if there are any zingers there, and if any questions come up, you don't only expect to transport night club tours for Kastle Tours, but you'll do it for anybody that you can strike a good contract with, okay?

"C: That goes for LEBLANG or anybody else?

"K: Anybody." (Tr. 302-303)

* * *

CASELLA — Direct

BY MR. WALSH:

"Q. How long did you operate Kastle Tours?

A. Approximately about from the 26th to about the 13th of January.

Q. The 26th of December, 1968, to the 13th of January, 1969?

A. Yes, sir." (Tr. 147)

* * *

CASELLA — Cross

"Q: At that time you were not in business, am I correct? You had not yet run a single tour?

A. I'm not sure. We had — I don't think so, no.

Q. And when you went back to see him the next time, you were already out of business and you were not running any tours?

A. That's right.

Q. So that at no time when you saw George Kastenbaum was Kastle Tours in operation as it were, correct?

A. Correct." (Tr. 585)

* * *

CASELLA — Direct

"A: At that time, as far as I can remember, I went into his office with my wife and I again told him of my troubles obtaining transportation. I said I was using Metro and then Metro stopped giving me buses and I was now inoperative and I came to him for help. I was upset. We didn't know where to turn, who to see, and we came back to him to find out if he could help us." . . . .

Q. All right, sir. At that time were you wearing any kind of transmitter?

A. Yes, sir, I was." . . .

Q. Who placed it on you?

A. Lloyd Furst (phonetic).

Q. Do you know what agency he is connected with?

A. Task Force, Florida Task Force." (Tr. 165-168)

* * *

CASELLA — Cross

"Q. How did it come about? Did Mr. Kastenbaum pursue you day after day after day urging you to come in?

A. No, sir.

Q. What happened?

A. I went to see Mr. First and explained what was happening and told him about my conversation with Mr. Kastenbaum. He then asked me if I would be willing to see Mr. Kastenbaum at that time.

Q. That is what I call a suggestion. Is that what happened? He asked you that?

A. He requested from me if I would like, you know, if it would be all right with me to see him.

Q. So that when you went back to see George Kastenbaum, it was not because of any fear or any pressure or anything else; it was because the authorities asked you to go, was it?

A. No, sir.

Q. Did you have an appointment to see Mr. Kastenbaum before Mr. First suggested or asked you to go?

A. No, sir.

Q. Did you get an appointment with Mr. Kastenbaum immediately after Mr. First asked or suggested that you do so?

A. Yes, sir.

Q. Was there any reason, any other reason, you got an appointment with Mr. Kastenbaum than Mr. First's request?

A. No, sir.

Q. And everything you did in this case was from that moment on at the direction or suggestion of the Government, wasn't it, or some government agency?

A. No, sir.

Q. Will you agree with me, sir, that every time you worked the tape recorder or some sort of device, that was at the suggestion of the Government or some Government agent?

A. Yes, sir.

Q. Would you agree that the $50,000 in cash that Mr. Yablonsky brought, that was with the cooperation or suggestion of some governmental agency?

A. No, sir.

Q. Who suggested or who got the $50,000 for you?

A. I don't know, sir.

Q. It wasn't yours?

A. No, sir.

Q. When you told Mr. Kastenbaum and later told Mr. Jacobs that you had a financial backer who was willing to pay any reasonable amount, that was at the suggestion of a governmental agency, wasn't it?

A. No, sir.

Q. Before you ever saw Lloyd First, sir, had you ever considered telling Mr. Kastenbaum or Mr. Jacobs that you had a financial backer who was willing to pay any reasonable amount?

A. I can answer that two ways, sir. Yes and no.

THE COURT: Well, answer both ways and then explain it.

A. (continuing) I never had any reason to go over and say that to them because I never had a backer. And when I did say it, I didn't say they didn't tell me to say that to him "I have a backer and I'll pay any reasonable amount." They told me to tell him I had a backer.

Q. Did they tell you what you were supposed to do? They told you to go and tell them that you had a backer?

A. Yes, sir." (Tr. 359-362)

* * *

FIRST — Cross

"Q. At the time that the Casellas came to you for the first time, you understood from them that they had absolutely no relationship at that time with George Kastenbaum, did you not?

A. I don't know what you mean by "relationship." They said they had been to his office. They had seen him once.

Q. They had had no appointment to see him; they had not been contacted by him; they had no dealings whatever with him other than the one time they went to his office.

A. That is true.

Q. Was it not your suggestion or direction that Mr. Casella should seek to re-establish himself with Mr. Kastenbaum?

A. I asked him if it would be possible.

Q. When you say "re-establish," you mean to go back and try to establish himself in a client relationship of some sort?

A. I just asked if he could re-establish the contact he had prior.

Q. Mr. Casella didn't express to you any desire to go back and see George Kastenbaum, did he, until you brought it up?

A. No, sir.

Q. Almost immediately after you made the suggestion, he called and got the appointment, didn't he?

A. I couldn't tell you when he called about the appointment. It was some time that afternoon.

Q. You knew it was done that afternoon?

A. He told me it was done, yes, sir.

Q. Was it your suggestion that Mrs. Casella accompany him on this visit?

A. I don't recall. I may have. I don't recall that I made such a suggestion.

Q. Do you recall offering or making that suggestion?

A. No, sir.

Q. Did you tell him the reason you thought he should go back to Mr. Kastenbaum and re-establish himself was so that you could record him and get him to try to have Kastenbaum say the things that he told you Kastenbaum told him back in December?

A. No, sir.

Q. Didn't you tell him you wanted to put a recorder or a transmitter on him?

A. Yes, sir.

Q. Did you suggest to him the topic of any conversation he should try to indulge in?

A. No, sir.

Q. You left him wholly on his own and just said, "go make a recording for us?"

A. Yes, sir.

Q. Had the Casellas told you about a $10,000 figure before the 23rd?

A. Yes, sir.

Q. And that when they went into the Kastenbaum office on the 23rd with the recorder, was it your understanding that they were going to try to talk or draw out from him some comments about the $10,000 figure?

A. No, sir.

Q. You did hear him deny — consistently deny to these people that he had ever said such a thing?

A. I did.

Q. He did not deny he had mentioned a figure, but he denied that he told them it would cost them that to get into business, didn't he?

A. He denied making any such statement about that figure or any other figure.

Q. Well, didn't they state to him they now had money to be paid in order to establish a business, and he told them it would take $10,000 to establish the business? Isn't that what he denied?

A. No, that is not what he denied.

Q. Well, did you dictate and sign a report of a page and a quarter, roughly, about that of January 23rd (handing document to witness)?

A. The question wasn't put to Mr. Kastenbaum by Mr. Casella in that fashion.

Q. Read with me: "He also reminded Mr. Kastenbaum of a previous meeting in regard to an approximate $10,000 figure fee to enable him to operate on the Beach"?

A. That is true.

Q. And before that, "Mr. Casella stated to Mr. Kastenbaum that he now had a financial backer and that money was no longer a problem and any reasonable amount of money could be paid in order to establish this business on the Beach"?

A. True. (Tr. 625-629)

CASELLA — Cross

"Q. Isn't it a fact that after your second meeting with Mr. Kastenbaum and after you sought out Mr. Jacobs to talk to him, you told Mr. Jacobs that you could supply the necessary money?

A. That I had a backer, yes, sir. That I had a backer.

Q. He didn't ask you anything about money. You had told him that you could supply the money?

A. That I had a backer.

Q. Is that right, sir?

A. That I had a backer, yes, sir.

Q. Did you tell him that you had a backer who could supply the necessary money?

A. I told him exactly what went on in Mr. Kastenbaum's office, exactly what went on in his office, because he was unfamiliar with it, sir. He was unfamiliar with my going there. He didn't know because I had thought that Mr. Kastenbaum had called him. But he didn't. So I filled him in on what my visit was about, what I told him and everything, and I did inform him that I had a backer who had money, yes, sir.

Q. And it was after that that Mr. Jacobs said that maybe he could be of some help and he would contact you in a few days?

A. Yes, sir.

Q. He never asked you for $10,000 or any money up until this conversation where you told him that you had a backer, did he?

A. Up until that time?

Q. Yes.

A. No, sir." (Tr. 497-498)

CASELLA — Direct

"K: Well, I wanted to give you a nice name. You know, you get this permit, right away this permit's going to be worth another $30,000, $50,000 in a year. And I probably know people willing to buy it from you, so, uh, you might as well have a nice name, if you can." (Tr. 248)

* * *

CASELLA — Direct

"K: Well, maybe, well, let me tell you, uh, if you get the permit, I think you might be offered eighty or ninety thousand dollars after you get it.

"Y: You mean that this permit is transferable"

"K: Yes." (Tr. 254)

* * *

KASTENBAUM — Direct

"A. Mr. Casella asked me if he couldn't get a permit to operate his own buses, and I asked him what kind of experience and finances he had. And he said "None." And that was the end of it as far as I was concerned, because I knew that a bus permit was an extremely valuable property right and that somebody who, in other words, wanted such a permit would have to pay a good fee and—" * * * *

Q. Was there any discussion between you and the Casellas concerning the political situation in the City of Miami Beach?

A. The only thing I said to the Casellas was, "Why do you think that the City Council would grant you such an extremely valuable property right? A taxicab in the City of Miami Beach sells for $15,000. I mean, you just can't ask a City Council to grant an extremely valuable property right-period."

Q. Was there a discussion with them about people who had been on the Beach for some time or good friends or supporters of these councilmen with reference to the fact that even they couldn't get such things?

A. Yes, sir.

Q. What was that?

A. I told them that even people who contributed to campaigns $1,000 or more couldn't get such an extremely valuable property right." (Tr. 892-894)

* * *

CASELLA — Cross

"Q. Mr. Casella, could you tell me, sir, if you know of any act by George Kastenbaum that prevented you from renting buses?

A. That prevented me from renting buses?

Q. Yes.

* * *

THE COURT: The question is, sir: Do you know of any act by George Kastenbaum that prevented you from operating buses?

THE WITNESS: That prevented me from operating? No, sir. (Tr. 418-419)

* * *

CASELLA — Cross

"Q. Did Mr. Kastenbaum ever, by word or deed threaten to do anything to you if you didn't come up with some money for him?

A. No, sir.

Q. Did he ever threaten to do anything to Mr. Yablonsky if Mr. Yablonsky didn't come up with some money for him?

A. No, sir.

Q. Did he ever threaten to do anything to Kastle Tours if Kastle Tours didn't come up with some money for him?

A. No, sir.

Q. Did he ever say to you, by any word or deed, "You better come up with some money or else"?

A. No, sir." (Tr. 440-441)

* * *

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

NO. 30019

UNITED STATES OF AMERICA, Plaintiff-Appelle,

v.

NORMAN JACOBS and GEORGE KASTENBAUM,
Defendants-Appellants.

Appeals from the United States District Court
for the Southern District of Florida

On Petitions for Rehearing and Petitions for Rehearing
En Banc

(Opinion, Sept. 29, 1971, 5 Cir., 1971, _____F.2d_____)

(November 17, 1971)

Before BROWN, Chief Judge, and PHILLIPS,* and INGRAHAM, Circuit Judges

"PER CURIAM: In connection with the Petitions for Rehearing for each of the Appellants, the Court adds the following to its opinion. The word "fear" as it is used in the definition of extortion in subsection (b) (2) of 18

*Of the Tenth Circuit, sitting by designation.

U.S.C.A., section 1951 reading "the term 'extortion' means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened * * * fear * * * embraces fear of economic loss."

(Pages 22a and 23a of Appendix of Kastenbaum's original petition for writ of certiorari)

* * *

YABLONSKY — Cross

"Q. At the time you put it in, it was to be withdrawn almost immediately by subpoena or warrant?

A. Yes. There was comment made to that effect." (Tr. 690)

* * *

HILL — Direct

"Q. At that time, sir, did you make the plans that the $50,000 would be immediately withdrawn from the box?

A. That's correct.

* * * *

"Q. Did you insist that Mr. Casella give you the key?

A. That's correct.

Q. Even though there was no money in there?

A. That's correct." (Tr. 864-865)

* * *

[TITLE OMITTED]

(September 29, 1971)

Before BROWN, Chief Judge, and PHILLIPS,* and INGRAHAM, Circuit Judges

PHILLIPS, Circuit Judge: George Kastenbaum and Norman Jacobs were charged in a two-count indictment with violations of 18 U.S.C., Section 1951.

* * * *

"The fact that Casella and the F.B.I. agents did not intend to pay the $50,000 to Kastenbaum did not make such conversations constitutionally protected."

(excerpt from Fifth Circuit's Opinion-page 19a of Appendix of Kastenbaum's original petition for writ of certiorari)

EUSTIS — Direct

"Q. For how long have you lived in Ohio?

A. For approximately three years.

Q. Have you ever had any dealings with a company known as Kastle Tours?

A. Yes, sir, I have. When I came down at Christmas time, from December 22nd to January 1, I took a tour with these people.

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*Of the Tenth Circuit, sitting by designation.

Q. Would you say it was December — that would be December '68 or December '69?

A. I meant December '68." (Tr. 67-68)

* * *

"A. Well, I decided to go on a night club tour; so I went to the lobby in the hotel and—

* * *

A. And I saw several brochures. Theirs was one of them.

Q. Whose was one?

A. Kastle Tours." (Tr. 68-69)

* * *

EUSTIS — Cross

"Q. Have you ever heard of Kastle Tours back in Ohio or in Pennsylvania?

A. No, I had not.

Q. Had you ever heard of Kastle Tours before you reached the Driftwood Motel?

A. No, I had not." (Tr. 74-75)

* * *

EUSTIS — Cross

"Q. Miss Eustis, as I understand it, then Kastle Tours had nothing to do with your decision to come to Miami, did it?

A. No, it did not." (Tr. 77)

* * *

SILVERMAN — Cross

"Q. Mr. Silverman, you had made up your mind, or at least your Association had, to come to Miami before you ever heard from Kastle Tours, hadn't you?

A. I would assume so.

Q. The letter that you got from Kastle Tours had nothing to do with your decision to come to Miami, did it?

A. No, none whatsoever." (Tr. 345)

* * *

R. CASELLA — Cross

"Q. You were not inviting people to come to Miami Beach, were you? You were inviting them, after they got here, to use your services, is that correct?

A. Yes." (Tr. 583)

* * *